

Atomic Energy of Canada

does that. I am very sorry, and I respect French Canadians who want to remain as they are and well-intentioned English Canadians in this House who want Canadian unity, not for fun but for real. I respect those people and for that reason I will not answer the minister's statement. And I will add, Mr. Speaker, that in due time to prove to the minister how sincere I am I will move a motion to prove to him that we, on this side of this House as well as all right-minded members on the government side, will act differently, we will be moving a motion a little later on today under the rules of this House.

[English]

Mr. Mazankowski: Mr. Speaker, I wonder if the minister would elaborate on this statement. At the bottom of page two the minister refers to the requirement of additional working capital, and he talks about one appropriate measure being to vest in the company the federal government's return on AECL's investment in Ontario Hydro's Pickering power station. Could the minister elaborate on that? Then perhaps I might be able to follow up with a supplementary.

Mr. Gillespie: Mr. Speaker, I would be pleased to do that, but before I do I would like to address one or two remarks to the Cr ditiste Party and particularly to its spokesman. I would like to tell him how very hurt I was, too, that I had to table in only one language. I can assure the hon. member that as far as I am concerned that will not happen again.

Some hon. Members: Oh, oh!

An hon. Member: Too late.

Mr. Gillespie: I can also tell him that because I wanted to place this before the House before parliament adjourned, I took this action today.

Some hon. Members: Oh, oh!

Mr. Gillespie: On the question put by the hon. member for Vegreville (Mr. Mazankowski), the original arrangement was made between AECL, Ontario Hydro and the Ontario government, and it involved financing by AECL for the first two reactors at Pickering. The basis of the arrangement was that AECL would be repaid for the funds advanced according to the differential between the power costs brought about by coal versus those which were brought about by the Pickering I and Pickering II reactors. The confidence of AECL was such that when it was negotiating this arrangement with the Ontario government and with Ontario Hydro, it was prepared to say it believed it could provide reactors which would provide lower priced power than coal-fired reactors, which was the alternative the Ontario government and Ontario Hydro had at that time.

● (1550)

The arrangement was that the funds advanced would be repaid with whatever additional increment there might be in the differential between coal-fired costs and costs from the nuclear reactor. I am very happy to say that the nuclear power

[Mr. Beaudoin.]

generated by those reactors is returning a substantial repayment to the federal government. At the present time it is not going to the credit of AECL, the Crown corporation which undertook the research and made the arrangements. The funds are coming back into the Consolidated Revenue Fund. One of the possibilities of financial restructuring is to consider the funds that we advanced as equity rather than as debt. The return of revenues would then go to the credit of the corporation where I believe they belong, rather than into the Consolidated Revenue Fund where they are perhaps lost sight of.

Mr. Mazankowski: Mr. Speaker, do I take it in a broader sense that any major financial restructuring will be brought about by legislation and not internally? We have had the financial restructuring of another Crown corporation, Air Canada, along somewhat similar lines. Is the minister contemplating bringing legislation which would provide for such major financial restructuring?

Mr. Gillespie: Mr. Speaker, I am contemplating bringing this before the House but whether in the form of legislation or whether some of those arrangements can be handled through supplementary estimates is something on which I will have to seek advice. Quite clearly parliamentary approval is going to be involved in most of the major questions. Whenever we are concerned with such matters as conversion of debt to equity, I think we are dealing with some major considerations.

Mr. Mazankowski: May I warn the minister right now, Mr. Speaker, that if he thinks he is going to bring forth the major financial restructuring of AECL through supplementary estimates, we will regard such a move as less than adequate.

Dealing specifically now with the affair of Dr. Foster, may I ask the minister if he is sure that Dr. Foster was not implicated in any way in the questionable dealings surrounding the sale of CANDU reactors to Argentina and South Korea?

Mr. Gillespie: Mr. Speaker, I want to make it clear that the recommendations which came to me from the board of directors with respect to the removal of Dr. Foster were specifically couched in language which made it clear that the reasons for the recommendation had nothing to do with any arrangement such as has been alluded to by the hon. member but were specifically and exclusively directed to the question of accountability for the financial management and control of the organization itself.

Miss MacDonald: Mr. Speaker, my question concerns Dr. Foster's dismissal for financial incompetence. If he is being held uniquely responsible in the organization for this, he is being made the scapegoat for this entire, sordid mess or can we expect further resignations or disciplinary action?

Mr. Gillespie: Mr. Speaker, first of all I think one has to make the point that Dr. Foster was president and chief executive officer, and as such had full responsibility for the day-to-day operations of the corporation, subject to the policies set forth by the board of directors. A number of changes have already taken place in the course of a year. A number of